

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF FILER MUTUAL TELEPHONE)	CASE NO. FIL-T-04-1
COMPANY FOR AN INVESTMENT TAX)	
CREDIT FOR INSTALLING QUALIFIED)	
BROADBAND EQUIPMENT.)	ORDER NO. 29561
)	

On April 22, 2004, Filer Mutual Telephone Company (Filer Mutual) filed an Application requesting that the Commission find the Company eligible to receive an Idaho Investment Tax Credit. Pursuant to *Idaho Code* § 63-3029I, an Idaho taxpayer may receive a tax credit for installing “qualified broadband equipment” in Idaho. To be eligible for the tax credit, the taxpayer must obtain from the Commission an Order confirming that the installed equipment meets the definition of qualified broadband equipment set out at *Idaho Code* § 63-3029I(3)(b). Briefly, qualified broadband equipment must be capable of transmitting signals at a rate of at least 200,000 bits per second (bps) to a subscriber and at least 125,000 bps from a subscriber. In the case of a telecommunications carrier, the qualified broadband equipment must also “be necessary to the provision of broadband service and an integral part of a broadband network.” *Idaho Code* § 63-3029I(3)(b)(i). In this Order, we find that Filer Mutual has installed qualified broadband equipment.

THE APPLICATION

Filer Mutual’s Application states that during the years of 2002 and 2003 the Company installed transport cable, digital subscriber line access multiplexers (DSLAM), and modems in expanding its broadband network. The Company offers high-speed Internet and other data services to customers in Twin Falls County, Idaho. It has approximately 210 customers all of which are Idaho subscribers. Filer Mutual indicates that it offers high-speed transmission rates of 1 Megabits per second (Mbps) minimum. Filer Mutual maintains that it invested approximately \$307,000 in 2002 and \$636,000 in 2003.

STAFF REVIEW

To implement its responsibilities under *Idaho Code* § 63-3029I, the Commission issued Procedural Order No. 28784 in July 2001. This Order identifies information that must be included in an application for a broadband tax credit. Once the information has been filed, then

the Commission Staff reviews the application and submits a recommendation to the Commission. Staff reviewed the list of broadband equipment submitted by Filer Mutual. Staff believes that the equipment is “necessary for the provision of broadband services and an integral part of a broadband network.” *Idaho Code* § 63-3029I(3)(b)(i). Consequently, Staff recommends that the Commission issue an Order approving Filer Mutual’s Application.

FINDINGS

Having reviewed Filer Mutual’s Application and Staff’s recommendation, we find that the Application for a qualifying broadband equipment Order should be granted. We find that the broadband equipment identified in the Company’s Application meets the qualifying requirements of *Idaho Code* § 63-3029I(b). We further find that as configured, the installed equipment is an integral part of a broadband network necessary to deliver broadband services to Idaho customers. *Idaho Code* § 63-3029I(3)(b)(i). It is therefore appropriate for the Commission to issue this Order confirming that Filer Mutual has installed qualified broadband equipment as a precondition to seeking an Idaho broadband tax credit. The Commission makes no findings regarding the costs of the installed broadband equipment.

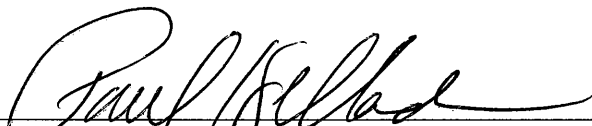
ORDER

IT IS HEREBY ORDERED that Filer Mutual Telephone Company’s Application for an Order certifying that it has installed qualifying broadband equipment is granted.

IT IS FURTHER ORDERED that a copy of this Order and a copy of the Application be served upon the Idaho State Tax Commission.

THIS IS A FINAL ORDER. Any person interested in this Order (or in issues finally decided by this Order) issued in this Case No. FIL-T-04-1 may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order issued in this Case No. FIL-T-04-1. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 12th
day of August 2004.



PAUL KJELLANDER, PRESIDENT

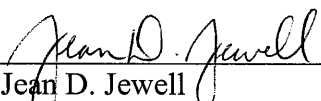


MARSHA H. SMITH, COMMISSIONER

Out of the Office on this Date

DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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